

Political Reviews

The Region in Review: International Issues and Events, 2014

NIC MACLELLAN

Melanesia in Review: Issues and Events, 2014

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In 2014, Pacific Island countries mobilized to carry a regional voice into global summits on climate change, Small Island Developing States (SIDS), and Sustainable Development Goals. It was a year of elections across the region, fought largely on national issues but with outcomes that have significant regional implications.

There was ongoing debate about Pacific regionalism and the health of regional institutions. The leadership of the Pacific Islands Forum Secretariat (PIFS) was transferred from outgoing Secretary-General Tuiloma Neroni Slade to Papua New Guinea's Dame Meg Taylor, with the Forum adopting a new "Framework on Pacific Regionalism" to replace the 2005 Pacific Plan.

Papua New Guinea and Fiji continued to joust over regional leadership, while smaller Island countries launched audacious challenges over the environment: Marshall Islanders spoke out at the United Nations (UN) Climate Summit and used the International Court of Justice to challenge nuclear proliferation. Across Melanesia, there was a renewed focus on human rights in West Papua and debate over relations with Indonesia, at a time of increased Pacific engagement with booming Asian economies.

The conservative Australian government led by Prime Minister Tony Abbott adopted policies on climate, aid, and security that clashed with the priorities of other Forum member

countries. Abbott's hosting of the Group of Twenty (G20) meeting in Brisbane highlighted his isolation on climate change, but the November summit of major powers also provided an important opportunity for international engagement: Chinese President Xi Jinping, Indian Prime Minister Narendra Modi, and French President François Hollande made flying visits to Island nations after the summit, pledging new initiatives on investment, infrastructure, and training.

All of these changes are intersecting in new and dynamic ways, with University of the South Pacific (USP) scholar Sandra Tarte arguing that "they constitute a deeper transformation, not just of the regional architecture, but of the regional order itself" (2014).

The September national elections in Fiji opened the way for Fiji's reintegration into regional economic, security, and political institutions—though that process will come with conditions from the victorious FijiFirst government led by Prime Minister Voreqe Bainimarama. Voters also went to the polls in Niue (April), New Caledonia (May), Cook Islands (July), Solomon Islands (November), and Tonga (November).

The return to office of Toke Talagi allowed the Niue premier to take a more assertive stand in regional institutions. After the 2014 Forum leaders' meeting, Talagi threatened to withdraw his country from the Smaller

Island States (SIS) caucus, criticizing the regional body for not addressing core concerns for SIS nations. Talagi complained: “We’re promised assistance but at the end of the day, . . . since I’ve been part of the Forum there’s been no substantial difference in the manner in which we are treated versus those in the larger countries. We don’t get any special assistance from the donor funding, we don’t get any special allocation of resources provided for the Pacific Islands Forum from regional institutions and so on. So I don’t see any particular reason why we should continue” (Pacnews 2014b).

In New Caledonia, a 2013 split in the anti-independence Rassemblement-UMP party led to a significant victory by Philippe Gomes’s Calédonie Ensemble party during May 2014 elections. The incoming New Caledonian Congress is balanced between 29 opponents of independence and 25 supporters of independence, and French President Hollande’s November visit did not break the logjam over New Caledonia’s future political status (MacLellan 2015a).

A postelection pact between three competing anti-independence parties lasted less than six months, as the multiparty Government of New Caledonia led by President Cynthia Ligeard collapsed in December (Calédonie Ensemble’s Philippe Germain was chosen as president in April 2015 after a four-month delay, with the support of FLNKS ministers). Politics in the French Pacific will remain in flux as New Caledonia moves toward a referendum on self-determination in late 2018 and French Polynesia adjusts to the post-Flosse era, after

long-serving President Gaston Flosse was removed from office in September following numerous convictions for abuse of public funds.

In Honiara, the first elections since the end of the Regional Assistance Mission to Solomon Islands (RAMSI) saw the shocking defeat of Prime Minister Gordon Darcy Lilo. The subsequent coalition building by incoming Prime Minister Manasseh Sogavare opens the way for significant changes in regional relations. Although Solomon Islands remains the third-largest recipient of Australian aid, worth A\$168 million in 2014–15 (the Australian dollar averaged around US\$.90 in 2014), the previous Sogavare government in 2006–07 engaged in forthright clashes with Canberra over priorities for development funding and attempts to arrest then Attorney General Julian Moti.

In Tonga, the December victory for longtime democracy campaigner ‘Akilisi Pohiva highlighted the new dynamism of regional politics. Pohiva is the first prime minister to win a democratic popular vote in the kingdom, and his election symbolizes calls for greater accountability across the region.

Throughout the year, Pacific governments and member agencies of the Council of Regional Organizations of the Pacific allocated extensive time to preparation for a series of global summits and negotiations in 2014–2015.

The theme of the annual meeting of the Pacific Islands Forum in Palau was “The Ocean: Life & Future.” After a week of events focused on fisheries, marine protected areas, and the impact of climate change on the marine environment, leaders adopted the “Palau

Declaration on The Ocean—Life and Future” (PIFS 2014b, 3).

The July Forum meeting served as a springboard for launching Pacific priorities into the Third International Conference on Small Island Developing States (SIDS), held in Sāmoa in September. This conference brought together UN member governments to review action on SIDS following previous meetings in Barbados (1994) and Mauritius (2005). At the SIDS conference, Pacific nations promoted policies on fisheries, climate, and vulnerability and launched the Pacific Oceans Alliance to coordinate regional and international action on marine conservation and fisheries management.

Growing coordination on fisheries was evident at the Parties to the Nauru Agreement (PNA) meeting in Honiara in March and the Western and Central Pacific Fisheries Commission in Apia in December. The decision by PNA CEO Transform Aqorau to finish his term of office at the end of 2014 marked a significant change for an organization that is one of the success stories of Pacific regionalism. Regional cooperation was highlighted by the entry into force of the Niue Treaty Subsidiary Agreement in August and the finalization of an agreement between the United States and seventeen members of the Forum Fisheries Agency in October. Under this deal, US-flagged purse seine vessels can fish for a total of 8,300 days across the region in 2015, in return for a payment of US\$90 million.

Island countries are strengthening a range of mechanisms to engage at the global level. The SIDS conference in Apia adopted the SAMOA Pathway (SIDS Accelerated Modalities

of Action) as a new Island-centered manifesto, which was promoted at subsequent international meetings, including UN Secretary-General Ban Ki-moon’s Climate Summit in New York (September), the G20 meeting in Brisbane (November), and the latest round of global climate negotiations in Lima (December).

Forum leaders endorsed New Zealand’s successful bid to secure a two-year term on the UN Security Council from 2015, replacing Australia in the rotating seat reserved for the Western European and Others Group. Some hoped that New Zealand might get better results than Australia in advancing the Islands’ bid for a Security Council resolution on climate change and security.

Many Pacific governments are increasingly reluctant to allow Australia and New Zealand to speak on their behalf in international institutions. Although regular meetings continue between all Forum ambassadors at the United Nations, the Pacific Small Island Developing States (PSIDS) group also caucuses separately, without Australia and New Zealand.

During a visit to New Zealand in August, Fiji Prime Minister Bainimarama said: “Australia . . . went around three or four years ago telling the people of the Pacific ‘if you vote us in for the UN Security Council, we’ll look after your affairs.’ What affairs? The biggest problem we have is climate change and the Australians say ‘No thank you—you just vote us in . . . our issue of climate change is totally different to yours and we’re not going to help you when we get there’” (ABC 2014).

The Forum Secretariat was not

invited as an observer at the G20 meeting (unlike the African Union and the Association of Southeast Asian Nations), but major powers used the opportunity of a southern hemisphere trip to directly engage with Pacific governments.

Indian Prime Minister Modi traveled to Suva after the G20 meeting, receiving a warm welcome from Fiji's large Indo-Fijian population and holding discussions with the newly elected Bainimarama government. Chinese President Xi Jinping also reaffirmed China's growing engagement with Island countries as he met with six Beijing-aligned leaders at a post-G20 summit in Nadi. Samoa Prime Minister Tuilaepa Sailele Malielegaoi said, "I think we have to recognise the very special effort of China and India for their leaders to come all the way to Fiji, which is more central, to meet with all the Pacific leaders" (Pacnews 2014a).

Xi reiterated pledges made at a 2013 China-Pacific summit, offering two thousand scholarships for study in China, zero-tariff preference for 97 percent of Pacific imports, and efforts to ensure more Chinese doctors and tourists will travel to the Pacific. Modi announced a US\$1 million regional climate change adaptation fund, visas on arrival in India for citizens of all fourteen Forum Island countries, and a new, regular summit on India-Pacific cooperation.

Given Fiji's postcoup isolation, the first state visit by a Chinese president was a success for Prime Minister Bainimarama, who noted that "it's a clear sign both of the deep ties we have developed and the importance that China places on Fiji's leadership

in the Pacific" (Fiji Ministry of Information 2014).

Beijing and New Delhi, in strategic competition on the global stage, both wooed host nation Fiji with specific pledges. Xi proposed visa exemptions for Fijians traveling to China and a new Chinese cultural center (China has funded an expansion of the Confucius Institute from USP's central campus in Suva to Lautoka to promote Chinese-language lessons and cultural programs in the west of Fiji). New offers of training programs supplement an existing scheme through which sixty-five senior officers selected by Fiji's Public Service Commission have gone to China for training and orientation since 2012.

India in turn offered a parliamentary library, US\$5 million for small businesses, and a US\$70 million credit line for cogeneration power plants for Fiji's troubled sugar industry.

At a time of travel bans and aid sanctions on the postcoup regime in Fiji, China's recent engagement has been praised by the Bainimarama government. As China's Fiji-based Ambassador Huang Yong finished his three-year posting in January 2015, Fiji Foreign Minister Ratu Inoke Kubuabola praised China's solidarity: "As a nation, China demonstrated that it was a true friend of Fiji when virtually the rest of the world shut its doors on us. China stood firm and supported us, demonstrating a deep understanding of our situation and further showing utmost respect for Fiji as a sovereign nation trying to rebuild itself. It did not shut the door on us, nor did it just stand by and watch" (Pratibha 2015).

China has not focused on Fiji alone.

In the last decade, Pacific imports from China have increased from 2 percent to 15 percent of regional trade, although much of the investment through China's EximBank is targeted on Papua New Guinea (Business Advantage PNG 2014). Other countries are vying for the Chinese tourism dollar or bilateral infrastructure grants. They also benefit from regional initiatives, such as the tour of China's *Peace Ark* in August and September. This People's Liberation Army (PLA) Navy hospital ship made port calls in Tonga, Fiji, Vanuatu, and Papua New Guinea, providing medical assistance to local communities. China's "Mission Harmony 2014" aimed to soften the reputation of the PLA, after criticism of the provision of Chinese military aid to security forces in these countries.

Other nontraditional donors are strengthening their links to regional organizations. Cuba attended its first Forum meeting as a Post-Forum Dialogue Partner in Palau, while Spain and Turkey were granted Dialogue Partner status at the July meeting. The United Arab Emirates has reconfirmed funding for the Pacific Islands Development Forum, extending ties that began after Fiji established an embassy in Abu Dhabi in 2010.

With the Obama administration's Pacific pivot focused more on Asia than on the Islands, the US government is not as nimble as some of these smaller development partners. Despite the March commencement of the US\$24 million Pacific America Climate Fund and the July announcement of Judith Beth Cefkin as the new US ambassador for Fiji and the

southwest Pacific, the United States is still playing catch-up.

The one Western nation that improved its diplomatic posture during 2014 was France. Following the G20 meeting, President Hollande and Foreign Minister Laurent Fabius made a flying visit to Nouméa. They joined a high-level dialogue on climate change at the Secretariat of the Pacific Community (SPC), attended by prime ministers and presidents from Vanuatu, Kiribati, Niue, Tuvalu, and Cook Islands and diplomats from other Pacific nations. Hollande stressed that France would remain a Pacific power, welcomed by its neighbors: "That wasn't always the case in past decades. But today, they ask us to remain present, because we can also help assure the future of the region" (Maclellan 2014b).

The Island leaders welcomed France's role as host of crucial climate treaty negotiations to be held in Paris in December 2015. One of the pillars of a global deal in Paris will be adequate and accessible climate finance for vulnerable countries, and Hollande highlighted France's US\$1 billion contribution to the Green Climate Fund, a new global mechanism to respond to the ravages of climate change in developing countries (this follows US President Barack Obama's US\$3 billion pledge to the fund).

The contrast with Canberra could not be sharper. During the year, the conservative Coalition government abolished the carbon-pricing system established by the previous Labor government, dismantled the official Climate Commission, proposed changes to Australia's Renewable

Energy Target, and announced expansion of exports of coal, gas, and other fossil fuels. As he opened the US\$3.4 billion Caval Ridge coal mine in central Queensland, Prime Minister Tony Abbott said: “Coal is good for humanity, coal is good for prosperity, coal is an essential part of our economic future, here in Australia, and right around the world” (*Sydney Morning Herald* 2014).

These climate policies drew sharp criticism from Pacific community leaders. Convenor of the Pacific Islands Climate Action Network Shirley Laban said: “If Australian and New Zealand leaders refuse to do their share to address the issue, they send a very poor signal to the global community. Pacific communities will reap the devastating consequences of their failure to act for generations to come” (*Matangi Tonga Magazine* 2014). Thirty climate activists from twelve Pacific nations traveled to New South Wales in October to protest Australia’s coal exports. These Pacific Climate Warriors used traditional canoes from Vanuatu, Tokelau, Tonga, and other countries for a protest fleet, which attempted to blockade Newcastle’s harbor, Australia’s largest port for coal exports.

The differences on climate policy between Australia and New Zealand and their Pacific neighbors was symbolized by the decision of prime ministers Tony Abbott and John Key to miss the UN Climate Summit on 23 September (Abbott was in New York the day before but decided not to participate in the summit alongside 120 other world leaders). The opening ceremony was notable for the address

by Marshallese poet Kathy Jetnil-Kijiner, who presented “Dear Matafele Peinem,” a moving tribute to her daughter that highlighted Pacific resistance to the threat of global warming (Jetnil-Kijiner 2014).

At the summit, Marshall Islands Foreign Affairs Minister Tony de Brum stated: “Probably one of the most frustrating events of the past year for Pacific islanders is Australia’s strange behavior when it comes to climate change. It just does not make sense. It goes against the grain of the world. Not only [is Australia] our big brother down south, Australia is a member of the Pacific Islands Forum and Australia is a Pacific island, a big island, but a Pacific island. It must recognize that it has a responsibility. The problems that have befallen the smaller countries are also Australia’s problems” (O’Malley 2014).

For fourteen months after its September 2013 election, the Abbott government refused to contribute to the Green Climate Fund. However, at the UN Framework Convention on Climate Change (UNFCCC) climate negotiations in December 2014, Australia finally buckled to diplomatic pressure, announcing a grant to the fund of A\$200 million (US\$165 million at the exchange rate at that time), which was well below the amounts contributed by the United States, Germany, France, and other developed countries.

Anger over Canberra’s climate policy extended to other sectors, following a series of decisions by the Abbott government on aid, trade, and regional communications that adversely affected Island nations.

Despite extensive regional travel by Foreign Affairs Minister Julie Bishop and Parliamentary Secretary for Foreign Affairs Brett Mason, Australian foreign policy in 2014 was more focused on trade with Asia, global terrorism, and the loss of Australians in Ukraine's Malaysia Airlines flight 17 disaster. Prime Minister Abbott did not attend the Forum leaders' meeting in Palau—his first opportunity to engage with Pacific counterparts on crucial decisions such as the selection of a new Forum secretary-general.

Bishop's authority was undercut when another conservative minister was sent to monitor her actions at the UNFCCC climate negotiations in Lima. Her parliamentary secretary, Brett Mason, attended the Forum in Palau and in November wrote about the importance of Pacific regionalism (Mason 2014). The following month he was sacked and replaced by an Abbott loyalist in a ministerial reshuffle.

Bishop was also unable to protect the Australian aid budget, with the Coalition government abandoning Australia's bipartisan commitment to increase Official Development Assistance (ODA) to 0.5 percent of gross national income. Pacific governments lost over A\$60 million in bilateral and regional aid in January, when the government slashed A\$650 million from the 2013–14 aid budget—six months into the financial year.

As 2014 progressed, the Abbott government announced that another A\$11 billion will be cut from the planned expansion of ODA over the next four years. After a A\$7.6 billion reduction in the May national budget,

Treasurer Joe Hockey announced a further cut of A\$3.7 billion over four years in December. Although these cuts had more immediate impact on Africa and other regions, the reduction of Australia's aid will severely affect the Pacific in coming years.

The government's decision to abandon the A\$250 million contract for Australia TV—the international television station managed by the Australian Broadcasting Corporation (ABC)—also had a devastating impact on Radio Australia (Maclellan 2014c). For many Islanders, the ABC's short-wave, satellite, and Internet broadcasts are a crucial source of regional and international news. Ending the TV contract with just three months' notice led to the dismissal of eighty staff (including long-serving Pacific correspondent Sean Dorney), the abandonment of satellite radio broadcasting to the northern Pacific, proposals to abandon shortwave transmission, and the gutting of foreign language services (including Tok Pisin broadcasts to Papua New Guinea, a vital service for more than forty years). This decision damaged Australian soft power at a time when other international broadcasters—from Al Jazeera to Chinese TV—are expanding their reach in the region.

Despite these decisions, Australia remains the largest aid, trade, and military power in the South Pacific. Island governments are reluctant to burn bridges with Canberra, especially as nontraditional development partners have yet to establish a track record for effective assistance (some officials, for example, have criticized the quality of Cuban medical training, while China's

infrastructure programs have been challenged for poor construction standards or the use of Chinese labor).

Current tensions with Canberra have reinforced a trend toward the new Pacific diplomacy (Fry 2015). Forum Island Countries are taking unprecedented political and diplomatic initiatives and using structures like the Melanesian Spearhead Group (MSG) or the PSIDS group in New York as vehicles to advance their policies on trade, labor mobility, or decolonization.

Fiji is a key player in this transition, with the postcoup administration looking beyond existing networks like the Forum and the Commonwealth. Fiji's 2011 membership in the Non-Aligned Movement and 2013 role as chair of the Group of 77 (G77) plus China in the United Nations are examples of this new trend under Foreign Minister Kubuabola and UN Ambassador Peter Thomson. However, the Bainimarama government is not alone in seeking new options. Fiji's assertive foreign policy is a reflection of broader regional trends as all governments position themselves in relationship to emerging Asian economies.

A new generation of leaders is critiquing traditional aid mechanisms and the conditionality that typifies many Western aid programs. Vanuatu Lands Minister Ralph Regenvanu has initiated new programs on land reform that challenge past neoliberal policies on privatization of communal land. Critiquing regional trade policy, Governor Gary Juffa of PNG's Oro Province stated: "We cannot let Western countries pull wool over our

eyes—and Australia and New Zealand produce the finest wool in the world. I believe that if the Pacific is to benefit from its own resources—rather than waiting under the table for the crumbs of its resources—it must be able to rise up and stop being too 'pacific.' We have been the friendly islands for too long" (Sergel and Scott 2013).

With effective control of the Asian Development Bank (ADB) resting with Japan and the World Bank dominated by the United States, Island governments are investigating alternative sources of financing from China and other developing nations. While they are welcoming ongoing aid from Western allies and maintaining engagement with the Multilateral Development Banks (MDBs), contact with nontraditional partners is being used to leverage better deals or challenge the conditions that come with MDB loans. There is a new emphasis on South-South cooperation and trilateral aid programs, such as a China–New Zealand–Cook Islands water supply program, New Zealand cooperation with Cuba and Island nations on certification of doctors, and a proposed PNG–China–Australia project on malaria control (UNDP China 2014).

For many years, Pacific governments have drawn on the Pacific Region Infrastructure Facility, funded by Australia, New Zealand, Japan, and the European Union. However, there is potential for new infrastructure investment after China's 2014 decision to establish the Asia Infrastructure Investment Bank (AIIB), with start-up capital of US\$50 billion. US Secretary of State John Kerry reportedly asked Australian Prime Minister

Abbott not to join the AIIB as a founding member, and Australia joined Japan, Indonesia, and South Korea in boycotting the AIIB's launch (*Australian Financial Review* 2014). The 2014 creation of the BRICS Development Bank (backed by the developing nation bloc led by Brazil, Russia, India, China, and South Africa) also reflects this transformation on the global stage.

Island leaders are bemused when they face criticism for engaging with Beijing or New Delhi. New Zealand commenced trade negotiations with China in December 2004 and concluded a free-trade agreement in April 2008. In 2014, Australia finalized a bilateral free-trade agreement with China and sought to expand uranium sales to India, while Wellington and Beijing signed an NZ-PRC Joint Statement on the Establishment of a Comprehensive Strategic Partnership in November (at the same time New Zealand has been moving closer to its ANZUS partners on security policy, resuming involvement in regional military exercises like RIMPAC).

Fiji's role in the Pacific regional architecture remains a central challenge and conundrum. The September elections opened a new period of engagement between Prime Minister Bainimarama and other Forum members. At the same time there is ongoing uncertainty and even some resentment over Suva's assertive regional postures.

In January 2014, the Forum Ministerial Contact Group visited Fiji, opening the way for reengagement with the Bainimarama regime after the elections. Australian Foreign Minister Bishop announced that her country would reestablish military ties, joint

exercises, and officer education with the Fiji Military Forces. Australia agreed to cochair, with Indonesia, the Multinational Observer Group that would monitor Fiji's election process. The European Union and Papua New Guinea also pledged funding to support an effective electoral process. Bainimarama made his first postcoup visit to Australia and New Zealand in August, seeking support from Fiji diasporic communities but also reopening engagement with the largest Forum members.

The September election, ruled as "credible" by the observer group, opened the way for Fiji to come in from the cold (Fiji Electoral Office 2014). By year's end, Fijian villagers were being recruited into Australia's Seasonal Worker Program (SWP) and New Zealand's Recognized Seasonal Employer (RSE) scheme, from which they'd been excluded since the 2006 Fiji coup. Even as Suva was building ties with China and India, the Fiji government welcomed support from the European Union, the World Bank, and the ADB, which all reopened discussion on long-delayed development projects. By December, the ADB had agreed on a US\$100 million loan for transport infrastructure, a major step in a new five-year Country Partnership Strategy for 2014–2018.

Most Pacific governments have welcomed Fiji's renewed involvement in trade talks and other regional initiatives. In October, Bainimarama joined Tuvalu Prime Minister Enele Sopoaga to sign a Maritime Boundary Treaty—the first such agreement in thirty years. After their countries' elections, Australian Foreign Minister Bishop and Fiji Prime Minister Bainimarama

met over cocktails and agreed to host a February 2015 meeting on Pacific regional architecture, with the subtext of encouraging Fiji to rejoin the Pacific Islands Forum (see Fry 2015), though the meeting was later postponed.

All this goodwill has not softened Bainimarama's proposals for Forum restructuring. Fiji's Foreign Ministry has been developing a proposal that Australia and New Zealand take on a new role as donors and development partners rather than as equal members alongside Forum Island Countries. Fiji is arguing the case for reform with neighboring countries, with Foreign Minister Kubuabola raising the topic with incoming Tongan Prime Minister Pohiva during a visit to Nuku'alofa. In December, Kubuabola noted: "If it is consensus that Pacific Islands perceive these two developed countries should have a place at the regional governance table, then it is only fair that room should be made for other development partners which are interested in joining them at the table. . . . The rationalisation of regional architecture for the Pacific Islands should have the best interest of Pacific Islands at its heart" (*Fiji Sun* 2014).

Throughout the year, Fiji's neighbors reacted with some ambivalence to the Bainimarama government's regional assertiveness. In spite of cooperation in many sectors, there have been occasional spats in the Melanesian Spearhead Group and Pacific Islands Forum as Fiji and Papua New Guinea joust for regional leadership. Relations were strained by Fiji's refusal to appoint the PNG high commissioner as dean of the diplomatic corps in Suva, Bainimarama's absence from the special MSG leaders'

summit in Port Moresby, and the decision to reappoint Solomon Islander Peter Forau as director-general of the MSG Secretariat in Port Vila. A 2013 agreement to back former Fiji Foreign Minister Kaliopate Tavola as the MSG candidate to replace outgoing Forum Secretary-General Tuiloma Neroni Slade was scuttled when Papua New Guinea and Solomon Islands both nominated candidates for the position.

In Palau, PNG Prime Minister Peter O'Neill and Solomon Islands Prime Minister Lilo took a walk under the trees during the official retreat on Peleliu Island, while other leaders debated the choice of PNG's Dame Meg Taylor over Solomon Islander Jimmie Rodgers, a former SPC director-general. Taylor, a former PNG ambassador to the United Nations and long-serving World Bank group expert, emerged as the successful candidate. She joined two other women, Deputy Secretary-Generals Andie Fong Toy and Cristelle Pratt, in an unprecedented female leadership team in the Forum Secretariat.

Former Solomon Islands High Commissioner to Australia Milner Tozaka said that Honiara's decision not to back Tavola's candidacy led to "payback" through a dispute between Fiji Airways and Solomon Airlines over landing rights (*Radio New Zealand International* 2014). Beyond this contest for the crucial regional post, disputes over West Papua also caused some tension between MSG member nations, as discussed later in this review. Both Vanuatu and New Caledonia's Front de Libération Nationale Kanak et Socialiste (FLNKS) independence movement were critical of Fiji's rapprochement with Indonesia.

These political tensions did not overshadow closer trade and investment ties between Papua New Guinea and Fiji. Even with potential revenues affected by the late-2014 fall in oil prices, PNG companies and government authorities are expanding operations around the region. PNG investment in Fiji amounts to nearly 300 million kina (approximately US\$114 million as of late 2014), including the Pearl South Pacific Resort at Pacific Harbor and the newly reopened Grand Pacific Hotel in Suva, a joint venture between PNG's national superannuation fund NASFUND; the Fiji National Provident Fund; and Lamana Development, a privately owned property developer in Port Moresby. More than twenty PNG companies have an estimated S1\$500 million (approximately US\$67.25 million in September 2014) invested in Solomon Islands, including Bank of the South Pacific (BSP), Lamana, BeMobile, Ela Motors, Tower Insurance, and Air Niugini (*Post Courier* 2014).

At year's end, BSP purchased the regional operations of Australian bank Westpac for A\$125 million. Westpac will continue banking services in the larger markets of Papua New Guinea and Fiji but will transfer to BSP the control of operations in Sāmoa, Cook Islands, Solomon Islands, Vanuatu, and Tonga.

Anticipating significant revenue flows from the exploitation of oil and gas reserves, Papua New Guinea is making small but significant development contributions to the Smaller Island States. At the Forum in Palau, Prime Minister O'Neill announced a regional SIS package of 300 million

kina (Port Moresby has offered US\$2 million to rebuild Niue's parliament as well as climate funding to atoll nations and has even proposed to establish an SIS secretariat in Port Moresby).

Despite these gestures, the two largest Melanesian nations continue to protect their interests in regional negotiations for an Economic Partnership Agreement (EPA) with the European Union (EU) and the PACER Plus agreement with Australia and New Zealand.

In 2014, Island nations lobbied the European Union to extend the benefits from interim agreements into a comprehensive regional EPA (the treaty was supposed to be finalized in 2007, so Papua New Guinea and Fiji have signed interim EPAs with the European Commission in the meantime, to protect their fish and sugar exports). Trade and fisheries ministers from Pacific members of the African, Caribbean, and Pacific (ACP) group met in Fiji in April to provide ACP negotiators with clear directions on how to conclude the long-running negotiations. The European Union continues to play hardball on fisheries, which has been a stumbling block to finalizing the deal, as Pacific states seek an extension to global sourcing provisions for fresh, frozen, and dried fish products.

Between 2008 and 2013, the European Union granted □845.5 million in development assistance to the Pacific, including □68.5 million allocated specifically to supporting regional integration through trade (the euro averaged US\$1.31 over this six-year period). Beyond trade, however, the EPA could provide a framework for future relations with the European

Union because of the looming expiry of the 2000 Cotonou Agreement. In April, PIFS Deputy Secretary-General Andie Fong Toy noted: “We must recognise that the EPA as a trade agreement may be more valuable for certain countries than others in the region. However, of mutual importance to all Pacific ACP States is our relation with the EU. At this stage we are unsure of what the nature, shape and form of a new agreement with the EU will be after the expiry of the Cotonou Agreement in 2020” (ACP 2014).

Negotiations for the PACER Plus agreement began in 2009, and Forum members have agreed on draft text for a number of chapters under the direction of Chief Trade Advisor Edwini Kessie. However, the finalization of the trade treaty has been delayed by Fiji’s long absence from negotiations and the failure of Australia and New Zealand to provide flexible arrangements for smaller Island states on labor mobility and funding for structural adjustment.

By late 2014, the draft chapter on trade in services was nearly concluded, though there remained a range of other contentious issues that must be resolved if the treaty is to be completed by late 2015. For example, Australia and New Zealand are also strongly opposed to an Infant Industry Clause proposed by Forum Island countries (FICs), which would protect small-scale manufacturing in Island nations against cheaper Australia and New Zealand (ANZ) goods.

Island nations have welcomed access to the ANZ horticulture sector through the SWP and RSE schemes, but they argue that increased access into ANZ labor markets should be made

legally binding under PACER Plus—a policy resisted by Canberra and Wellington. FICs have requested that Australia and New Zealand establish a dedicated Aid for Trade fund in their ODA programs, arguing “that implementation of the PACER Plus Agreement would need to be complemented with adequate broader trade related assistance to address supply side constraints facing the FICs” (PIFS 2014a).

As these regional trade negotiations dragged on, Pacific governments continued to develop subregional agreements to expand existing commercial links between like-minded nations.

At the SIDS conference in September, Palau, Marshall Islands, and the Federated States of Micronesia (FSM) signed a historic Micronesia Trade and Economic Treaty, promoting increased economic engagement across the northern Pacific. FSM President Emmanuel Mori described the new treaty as a “true reflection of the Micronesian spirit of collaboration which characterized the relations between the three entities.” The treaty “endeavors towards the creation of a Micronesian trade and economic community through the promotion of sub-regional trade and economic cooperation and integration” (MTC 2014).

Although starting with the Compact of Free Association nations, other Micronesian states like Kiribati, Nauru, Guam, and the Commonwealth of Northern Mariana Islands (CNMI) are eligible to join the new economic community. The treaty reflects wider cooperation across the northern Pacific, such as the December 2013 meeting of Micronesian Chief Executives in Saipan, CNMI (Eugenio

2014), or the July 2014 Micronesian Games in Pohnpei, FSM.

Given the slow pace of negotiations with the European Union, Australia, and New Zealand, MSG ministers are advancing a range of subregional initiatives on trade and labor mobility. These include the negotiation of a third phase of the MSG Trade Agreement (MSGTA3), a shipping study, a Skills Movement Scheme, and strengthened cooperation on customs and biosecurity. MSG finance ministers and Central Bank governors are investigating the creation of a Melanesian Development and Investment Fund as well as an Emergency Stabilization Fund to deal with global currency crises.

MSG trade ministers met in Papua New Guinea in November to adopt the Port Moresby Declaration “Securing MSG Prosperity through Trade and Economic Integration.” The declaration calls for the creation by 2017 of an MSG Free Trade Area, an Investment Promotion and Protection agreement, and treaties on double taxation.

Even within subregional agreements, the larger economies stand to benefit more from new trade deals. Papua New Guinea will host the Asia-Pacific Economic Cooperation (APEC) meeting in 2018, boosting its integration into Asian markets (PNG trade with China already represents 80 percent of the total trade between China and the Islands).

Facing labor shortages in its expanding resources sector, Papua New Guinea is seeking to increase labor mobility from other MSG countries. In November, PNG Foreign Affairs Minister Rimbink Pato noted: “For PNG, we want to enable every

other MSG country to come and live in PNG freely. All you need is a Fijian, Vanuatu or Solomon passport and you are welcome to come and work and live in PNG. We are about MSG integration and trade mobility connectivity to South East Asia through PNG as we are the only country in the Pacific with links by physical land border with Indonesia and to the great economies of South East Asia” (Devi 2014).

Relations with Indonesia, however, are affected by growing regional concern over human rights abuses by the Indonesian armed forces and police in West Papua. The Pacific Islands Forum has not formally addressed the West Papua issue for a decade, so debate has shifted into the Melanesian Spearhead Group.

In 2014, Melanesian leaders considered an application for MSG membership lodged the previous year by the West Papuan National Council for Liberation (WPNCNL). Implementing a decision of the 2013 MSG summit, Fiji Foreign Minister Kubuabola led a ministerial mission to Indonesia and West Papua in January to investigate the application. The Vanuatu government decided to boycott the mission, arguing “the Mission’s program would not allow the MSG to obtain credible information to fulfil the MSG Leaders mandate” (MSG 2014). Their judgment was reinforced when Indonesian officials refused access to pro-independence church and civil society representatives during a brief visit to Jayapura.

Indonesia’s diplomatic lobbying was rewarded at a special MSG leaders’ summit in Port Moresby in June, which deferred the WPNCNL application

for membership and agreed “to invite all groups to form an inclusive and united umbrella group in consultation with Indonesia to work on submitting a fresh application” (MSG 2014). MSG leaders agreed on the need for greater engagement with the Melanesian people of West Papua, through cultural and sporting ties (such as participation in the 5th Melanesian Festival of Arts and Culture, which was held in July in Papua New Guinea).

During his 2014 election campaign, Indonesia’s new President Joko Widodo, universally known in Indonesia as “Jokowi,” traveled twice to West Papua, promising a new era of dialogue between Jakarta and Jayapura. In August, Jokowi met with West Papuan political, community, and church leaders, outlining new policies and pledging greater access for foreign journalists: “Why not? It’s safe here in Papua. There’s nothing to hide” (Maclellan 2014a).

However, Jokowi’s appointment of retired General Ryamizard Ryacudu as Indonesian defense minister threatens to undermine these cautious steps toward reconciliation. As chief of the Indonesian army’s strategic command Kostrad in 2000–2002 and army chief of staff between 2002 and 2005, Ryacudu was notorious for his role in the crushing of the “Papuan Spring.” He publicly supported Indonesian soldiers who had been arrested and convicted for the 2001 murder of Papua Presidium Council leader Theys Eluay (Chauvel 2005).

Ongoing ties between Suva and Jakarta were highlighted by the invitation for outgoing Indonesian President Susilo Bambang Yudhoyono to open the 2014 Pacific Islands Development

Forum—a key regional initiative of the Bainimarama government—and Indonesia’s role in cochairing the 2014 Multinational Observer Group for Fiji’s elections.

The West Papua debate will not go away, with increasing church and civil society criticism of governments in Canberra, Suva, and Port Moresby for their failure to address ongoing Indonesian human rights violations. Social media campaigns and public protests across Melanesia are slowly having an impact, especially in Papua New Guinea, where successive governments have been reluctant to criticize Indonesian policy because of security concerns along the land border.

In a major speech in February 2015, PNG Prime Minister Peter O’Neill said his country needed to do more to address human rights in West Papua. Proposing that his country take a lead in discussions with Indonesia “in a mature and engaging manner,” he added: “Sometimes we forgot our family, our brothers and sisters, especially those in West Papua. I think as a country the time has come for us to speak about oppression of our people. Pictures of brutality of our people appear daily on social media and yet we take no notice. We have the moral obligation to speak for those who are not allowed to talk. We must be the eyes for those who are blindfolded” (O’Neill 2015).

Vanuatu continues to lead regional support for West Papuan self-determination. Prime Minister Joe Natuman hosted a December 2014 meeting to bring together Jayapura-based activists and exiled campaigners and form a united front between competing groups. The newly created

United Liberation Movement for West Papua unites three strands of the West Papuan nationalist movement: the WPNCL, the Federal Republic of West Papua, and the National Parliament of West Papua, which incorporates the National Committee for West Papua. A renewed application for MSG membership was submitted in January 2015.

The issue of self-determination in Melanesia will increasingly push onto the regional and international agenda. The collapse of the Ligeard government in New Caledonia in late 2014 highlights the inability of anti-independence parties to agree on the best way to respond to the Kanak independence movement. After May elections, New Caledonia's incoming Congress and government have been unable to agree on a date for a referendum on self-determination in 2015–2017, so the French state must organize this vote in late 2018.

At the same time, the Bougainville Peace Agreement states that a referendum on independence should be held between 2015 and 2020. At year's end, the Bougainville Executive Council approved the creation of a new Office for the Bougainville Referendum to manage relations with Port Moresby and prepare for this crucial poll. As a sign of things to come, Bougainville has changed its time zone to align with Solomon Islands and move an hour ahead of mainland Papua New Guinea.

On other security issues, Pacific governments have called on the United Nations to appoint a special representative on Climate Change and Security, recognizing that the adverse effects of climate change have strong implica-

tions for the security and well-being of their population.

While climate change remains the central focus of PSIDs lobbying on security, there has been a revival of action on the threat of nuclear weapons, at a time when the international Red Cross/Red Crescent movement and other civil society groups have renewed campaigning on the issue. Pacific delegates were active at three international conferences in 2013–2014, in Norway, Mexico, and Austria, focusing on the humanitarian impact of nuclear weapons.

In February 2014, Kiribati, Marshall Islands, Papua New Guinea, Samoa, Tonga, and Tuvalu issued a joint statement at the Second Conference on the Humanitarian Impact of Nuclear Weapons in Nayarit, Mexico, declaring “that nuclear weapons must be outlawed and eliminated without delay.” They appealed to all non-nuclear weapons states to set the agenda for concrete steps toward the negotiation of a legally binding treaty, rather than wait for the nuclear-armed powers to lead the way: “Pacific Island nations have long called for a world free of nuclear weapons. Today, we reiterate our firm belief that the only way to guarantee that these terrible weapons of mass destruction are never used again is to ban and eliminate them” (Nayarit 2014).

The lingering health and environmental impacts of 315 nuclear tests in Australia and the Pacific Islands remain an ongoing concern, as detailed in a report by the International Campaign to Abolish Nuclear Weapons that was presented at the Nayarit conference (ICAN 2014).

In French Polynesia, the long cam-

paign by Moruroa e Tatou for cleanup and compensation after three decades of French nuclear testing is slowly changing policy in Paris. In September, the French government agreed to transfer responsibility for compensation from the Ministry of Defense to the Ministry of Health, a small step in removing the national security restrictions that have long constrained debate and hidden key evidence.

A December 2013 UN General Assembly resolution called on the UN secretary-general to investigate the economic, social, and environmental impacts of thirty years of French nuclear testing. An initial report was released in July 2014 (UNGA 2014), but the Union for Democracy in French Polynesia continues to lobby for a more extensive scientific study. French Polynesian Senator Richard Tuheiava told the UN Fourth Committee in October, “We have concluded that the Report is far from comprehensive, and is rather a compilation of replies from just two UN agencies out of some 22 requests made by the Secretary-General” (Tuheiava 2014).

In April 2014, the Republic of the Marshall Islands (RMI) government expanded its long-standing campaign against nuclear weapons by filing landmark cases at the International Court of Justice (ICJ) and the US Federal District Court in San Francisco. Speaking to the UN General Assembly in September, RMI President Christopher Loeak stated, “It is essential for the survival of humanity that nuclear weapons are never used again, under any circumstances. The universal way to accomplish this is through the total elimination of such weapons” (Loeak 2014).

The RMI court cases criticized the United States and other nuclear powers for failing to enter into comprehensive disarmament negotiations, as required under the Nuclear Non-Proliferation Treaty and customary international law. Initial hearings in the US Federal Court were conducted in September, with the judge later rejecting the RMI application; the ICJ case continues.

The release of previously classified cabinet papers detailing US and Australian policy toward nuclear-free zones (Maclellan 2013) has renewed attention on strengthening the Rarotonga treaty for a South Pacific Nuclear Free Zone. Despite US President Barack Obama’s calling on the US Senate to ratify the Rarotonga treaty protocols in 2011, there has been no action by the US Congress. In the communiqué from their 2014 meeting in Palau, Forum leaders “encouraged the United States to ratify the Protocols to the South Pacific Nuclear Free Zone Treaty as soon as possible” (PIFS 2014b, 4).

British, New Zealand, and Fijian military veterans continued to lobby for compensation from the United Kingdom (UK) government, following 1950s nuclear testing in Australia and Kiribati (Maclellan 2015b). In January 2015, Fiji Prime Minister Bainimarama announced that his government would compensate Fijian survivors of British nuclear tests on Christmas Island and Malden Island because of the ongoing refusal of the UK Ministry of Defense to address the health and environmental consequences of the tests in 1957–1958.

Bainimarama—whose father had led the first contingent of Fijian sailors

to Christmas Island in 1957—condemned past nuclear testing and the contemporary reliance on extended nuclear deterrence: “Just as we implore the industrialized nations now to stand with us in the battle against rising sea levels caused by the carbon emissions they cause, not us, we also implore them to join us in our commitment to make the Pacific nuclear free. . . . It is a form of madness that we in the Pacific—the ocean that takes its name from the word ‘peace’—find incomprehensible, which is why we will always be on the side of those nations pressing for the dismantling of the world’s nuclear arsenals” (Fiji Ministry of Information 2015).

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